



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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May 31, 2001

CERTIFIED RETURN RECEIPT

7000 0520 0021 7582 9217

Mr. Glen Williams
Cotter Corporation
28151 DD Road
P.O. Box 700
Nucla, Colorado 81424

Re: Five-Year Review of Reclamation Surety Estimate, Cotter Corporation, Papoose Mine,
M/037/084, San Juan County, Utah

Dear Mr. Williams:

The Division performs periodic reviews of reclamation surety estimates to verify their accuracy. We make adjustments for escalation and any site modifications that may require a change in the amount of reclamation surety presently being held for the site. Division policy requires that reclamation surety estimates being held by the Minerals Reclamation Program include a five year escalation component. The surety estimates are to be reevaluated every five years. A number of these five-year surety assessments are overdue because of more pressing program priorities.

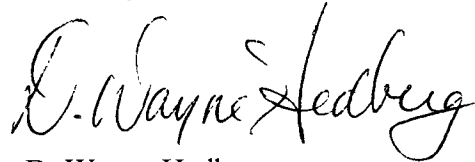
Our records indicate that the reclamation surety estimate for Cotter Corporation's Papoose Mine was due for review in 2000. To assist us in our review of this cost estimate, we request an updated map of your mine site showing current surface facilities and all mining related disturbances. Please provide the updated map at a scale of not less than 1 inch = 500 feet, which includes: buildings, stationary mining/processing equipment, roads, utilities, power lines, drainage structures (i.e. berms, culverts, etc.), topsoil, ore and product storage areas, overburden/waste dumps, tailings or processed waste facilities, solid and liquid wastes, and wastewater discharge treatment and containment facilities, etc. This map should include all areas which have been affected by this operation to date. Please ignore items listed above which do not apply to your site.

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If any reclamation has been completed on the site since the last surety estimate review, please provide a separate map of the same scale as the site facilities and disturbed area map, clearly identifying these reclaimed areas, the acreage affected, and the date of the reclamation. Please cross-hatch or shade the areas to identify the reclamation treatments (i.e. ripping, regrading, mulching, seeding, etc.) which have been applied.

Please provide this information within the next 60 days or no later than July 30, 2001. If you are unable to provide this information in this time frame, please contact the Division with justification for requesting additional time. Thank you for providing this information to assist us in our surety estimate review. If you have any questions concerning this letter, please contact Doug Jensen at (801) 538-5382.

Sincerely,

A handwritten signature in black ink that reads "D. Wayne Hedberg". The signature is fluid and cursive, with the first name "D." and last name "Hedberg" clearly legible.

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program